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Message Text

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ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 SOE-02 AID-05 CEA-01 CIAE-00
COME-00 DODE-00 DOE-15 H-02 INR-10 INT-05 L-03
NSAE-00 NSC-05 OMB-01 PM-05 ICA-20 OES-07 SP-02
SS-15 STR-07 TRSE-00 ACDA-12 DLOS-09 /147 W
----------051596 081721Z /65
R 071103Z APR 78
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 4883
INFO AMEMBASSY BRUSSELS
AMEMBASSY DUBLIN
AMEMBASSY OSLO

UNCLAS LONDON 05420

USEEC

E.O. 11652: N/A
TAGS: ENRG, UK
SUBJECT: MORE ON BRITISH OIL LICENSE CHANGES

REF: (A) LONDON 5300; (B) LONDON 2817

1. DURING THE PARLIAMENTARY DEBATE ON THE EXPANDED ROLE OF STATE-OWNED BRITISH NATIONAL OIL COMPANY (BNOC) ACCORDED BY SUBJECT CHANGES, CONSERVATIVES OBJECTED TO BNOC'S SPECIAL PRIVILEGES. CONSERVATIVE "SHADOW" ENERGY MINISTER TOM KING SAID THE ANNOUNCEMENTS REPORTED IN REFTEL (A) FLY "IN THE FACE OF ALL THE ASSURANCES GIVEN BY GOVERNMENT MINISTERS AT THE TIME OF THE READING OF TH (1975) PETROLEUM AND SUBMARINE PIPELINES BILL THAT BNOC WOULD NOT BE GIVEN SPECIAL PRIVILEGES... WE ALSO REGARD IT AS CLOSE TO AN ABUSE OF MINISTERIAL ADMINISTRATIVE POWER TO GIVE A PRE-EMPTIVE RIGHT IN FARM-INS AS A FIRST OPTION, WHICH WAS NOT INCLUDED IN THE LEGISLATION." KING SAID, "WE REGARD IT AS ESSENTIAL TO HAVE CONFIDENCE
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AND TRUST IN THE FAIR DEALINGS OF THE BRITISH GOVERN-MENT... (AND) REGARD (ENERGY SECRETARY BENN'S ANNOUNCE-MENT) AS NOT HELPFUL IN THAT DIRECTION."

2. ANOTHER CONSERVATIVE MEMBER OF PARLIAMENT TERMED THE ANNOUNCEMENTS "A MAJOR STEP TOWARDS FURTHER BACK DOOR NATIONALIZATION" AND "A BREACH OF UNDERTAKINGS" GIVEN TH

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HOUSE OF COMMONS AND INDUSTRY AND SAID THEY "WILL DO NOTHING TO IMPROVE THE PROSPECTS OF MORE EFFICIENT PRODUCTION OF THIS OIL OR IMPROVE THE TAKE THE BRITISH PEOPLE WILL GET FROM IT."

3. LABOR MEMBERS OF PARLIAMENT WHO SUPPORTED THE ANNOUNCEMENTS TENDED TO EQUATE BNOC'S ROLE WITH BRITISH CONTROL OF THE OIL, WHILE CONSERVATIVES HELD THAT THE U.K. ALREADY HAS FULL AUTHORITY OVER ALL OIL ON THE CONTINENTAL SHELF.

4. SECRETARY BENN GAVE THE FOLLOWING POSSIBLE CLUE TO FUTURE DEPLETION POLICIES: "AT PRESENT WE ARE MOVING FROM NO OIL THREE YEARS AGO TO 60 MILLION TONNES THIS YEAR AND POSSIBLY 150 MILLION TONNES BY THE MID-1980S ON THE BASIS OF FIELDS ALREADY UNDER DEVELOPMENT. THE RATIONAL AND SENSIBLE THING TO DO IS TO RETAIN DISCRETIO OVER DEPLETION POLICY SO THAT WE CAN PUSH THE GAINS FROM THE NORTH SEA FURTHER INTO THE FUTURE INSTEAD OF BEING PRESSED BY COMMERCIAL CONSIDERATIONS WHICH WOULD HAPPEN IF WE DEPENDED ENTIRELY ON THE PRIVATE SECTOR."

BREWSTER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
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Concepts: OFFSHORE DRILLING, PETROLEUM CONCESSIONS, LICENSES, STATE ENTERPRISES
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Draft Date: 07 apr 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
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Litigation History:
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Subject: MORE ON BRITISH OIL LICENSE CHANGES
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To: STATE
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